



IT Tech Packaging, Inc.

Second Quarter 2021

Financial Results Presentation



Safe Harbor Statement



This presentation contains forward-looking statements within the meaning of the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. All statements other than statements of historical fact in this announcement are forward-looking statements, including but not limited to, anticipated revenues from the digital photo paper business segment; the actions and initiatives of current and potential competitors; the Company's ability to introduce new products; the Company's ability to implement the planned capacity expansion of corrugate medium paper; market acceptance of new products; general economic and business conditions; the ability to attract or retain qualified senior management personnel and research and development staff; and other risks detailed in the Company's filings with the Securities and Exchange Commission. These forward-looking statements involve known and unknown risks and uncertainties and are based on current expectations, assumptions, estimates and projections about the companies and the industry. The Company undertakes no obligation to update forward-looking statements to reflect subsequent occurring events or circumstances, or to changes in its expectations, except as may be required by law. Although the Company believes that the expectations expressed in these forward looking statements are reasonable, it cannot assure you that its expectations will turn out to be correct, and investors are cautioned that actual results may differ materially from the anticipated results.

Agenda

- Key Highlights
- Financial & Business Review
- Operational & Business Updates

The background features an open book with its pages fanned out, creating a sense of depth and movement. A vibrant green rectangular overlay is positioned across the middle of the image, serving as a backdrop for the text.

KEY HIGHLIGHTS

Key Highlights for Q2 2021

Revenue increased by 76.5% YoY to \$46.53 million, primarily due to the increase in sales volume of corrugating medium paper ("CMP") and offset printing paper and increase in Average Selling Prices (ASPs) of CMP and tissue paper products.

Gross profit was \$3.03 million during Q2 2021, compared to \$2.56 million for the same period of last year. This was mainly due to the increase of the revenue and selling prices of products during Q2 2021.

Income from operations was \$0.43 million during Q2 2021, compared to loss from operations of \$0.80 million for the same period of last year.

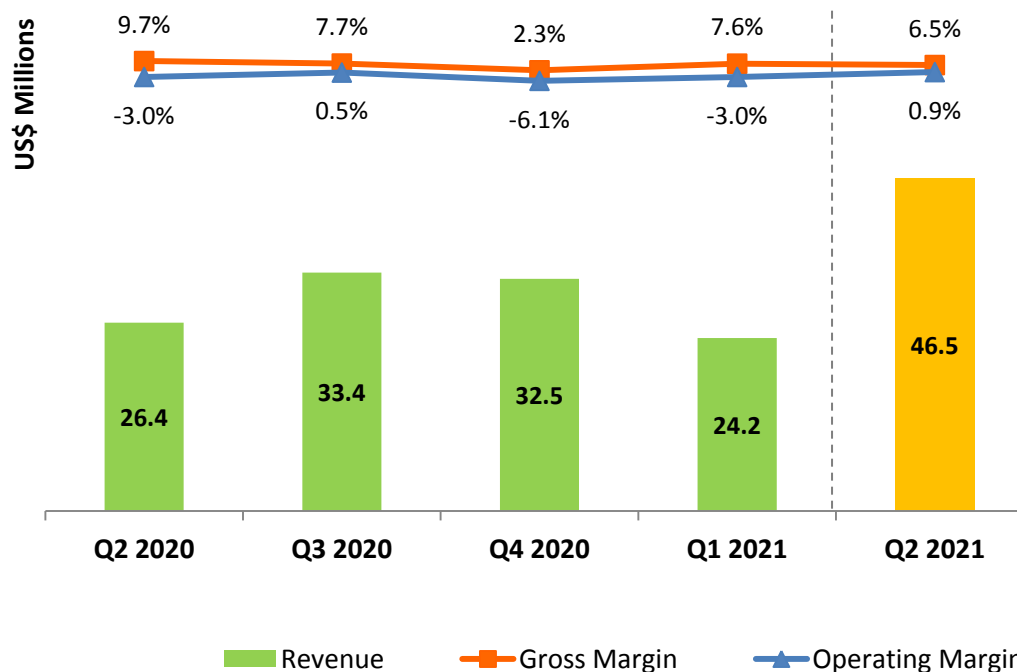
Net loss was \$0.45 million, or loss per share of \$0.01 for Q2 2021, compared to net loss of \$0.98 million, or loss per share of \$0.04, for the same period of last year.

Earnings before interest, taxes, depreciation and amortization ("EBITDA") was \$9.03 million during Q2 2021, compared to EBITDA of \$2.90 million for the same period of last year.

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FINANCIAL & BUSINESS REVIEW

Revenue

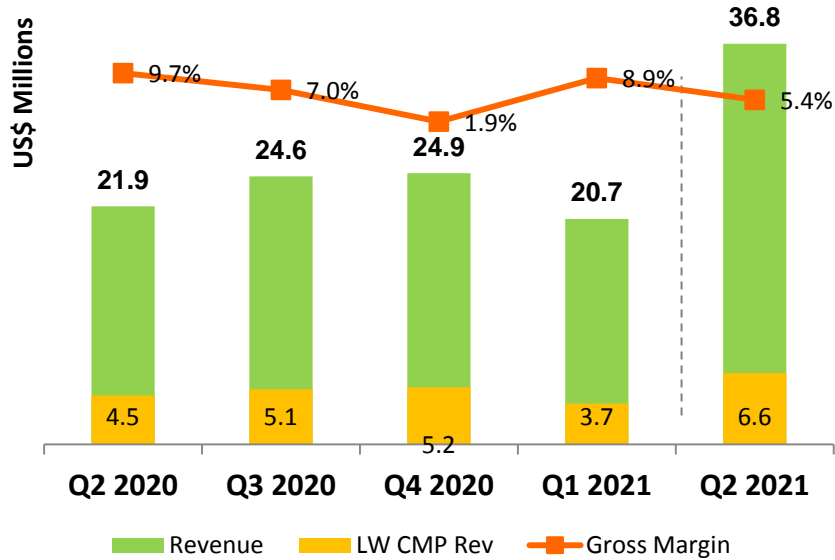


Q2 2021

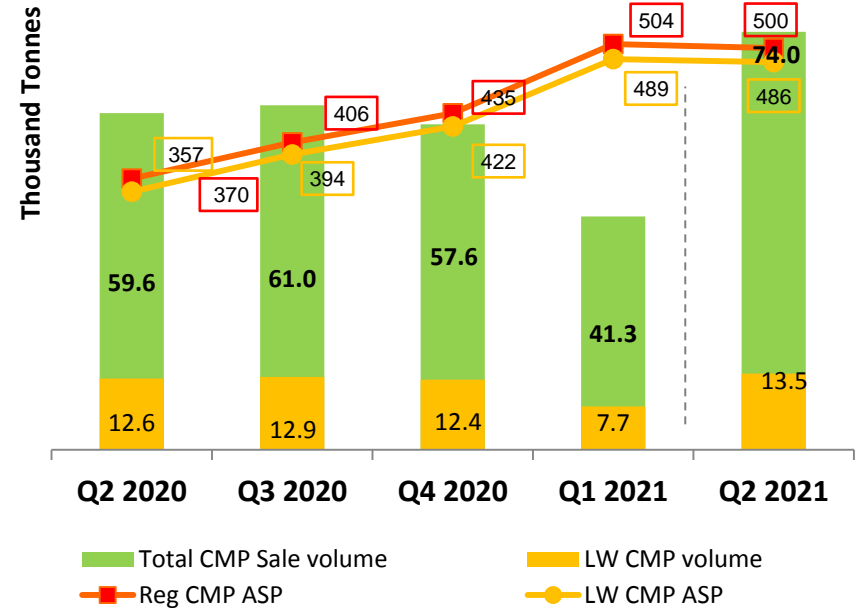
- Revenue increased by 76.5% YoY to \$46.5 million, primarily due to the increase in sales volume of corrugating medium paper (“CMP”) and offset printing paper and increase in Average Selling Prices (ASPs) of CMP and tissue paper products.
- Overall profit margin decreased by 3.2 percentage points YoY to 6.5%.
- Operating loss margin increased by 3.9 percentage points YoY to operating income margin of 0.9%.

Corrugating Medium Paper (CMP)

Revenue and Gross Margin



Sales Volume and ASP

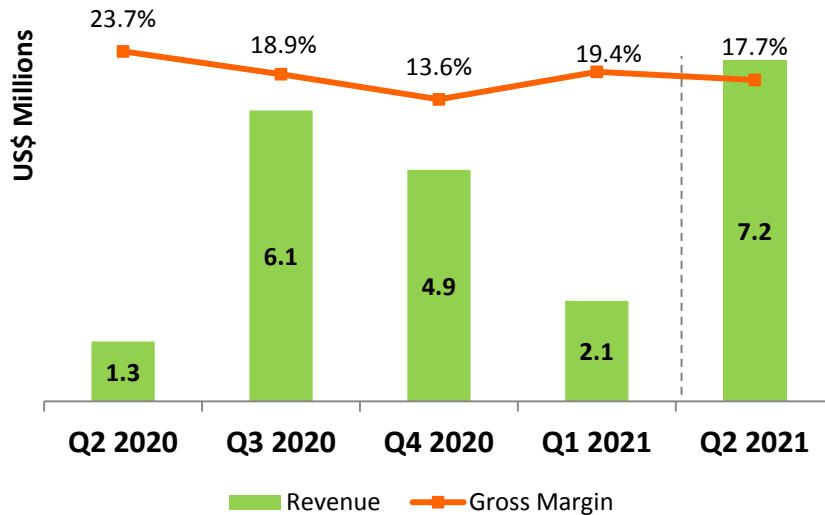


Q2 2021 CMP (includes both Regular and Light-Weight CMP)

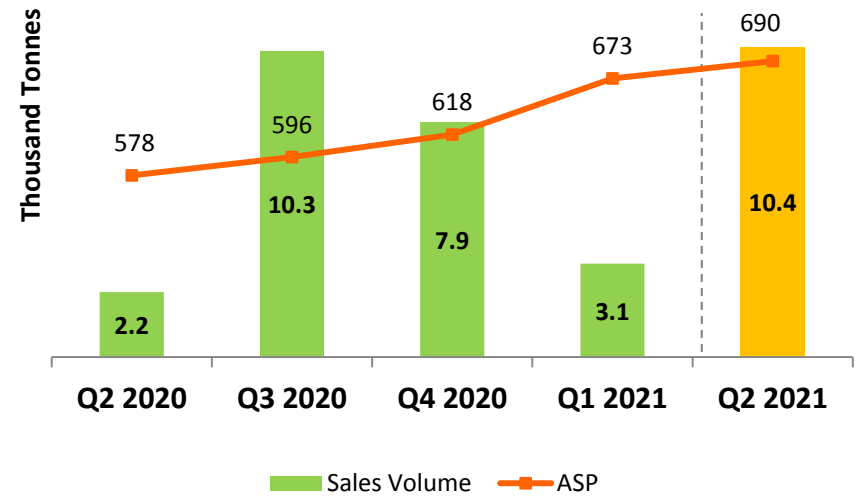
- Revenue: up 68.3% YoY to \$36.8 million, accounted for 79.1% of total revenue.
- Sales volume: up 24.2% YoY to 73,998 tonnes.
- ASP: Regular CMP up 35.1% to \$500/tonne.
- ASP: Light-Weight CMP up 36.2% to \$486/tonne.

Offset Printing Paper

Revenue and Gross Margin



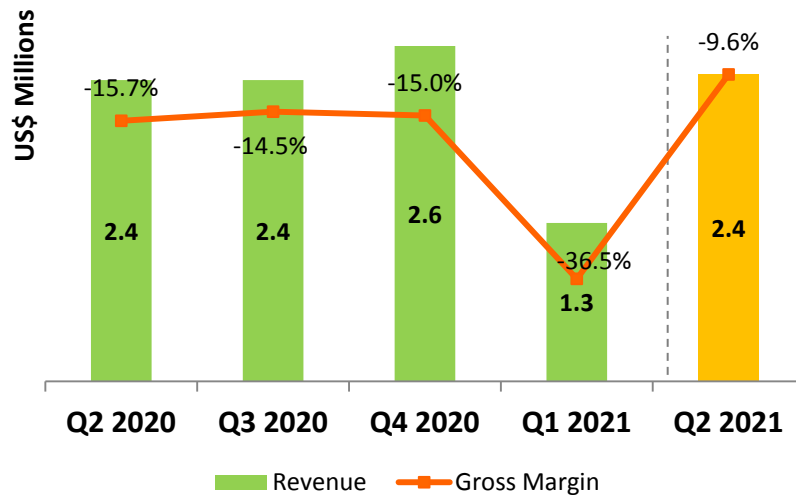
Sales Volume and ASP



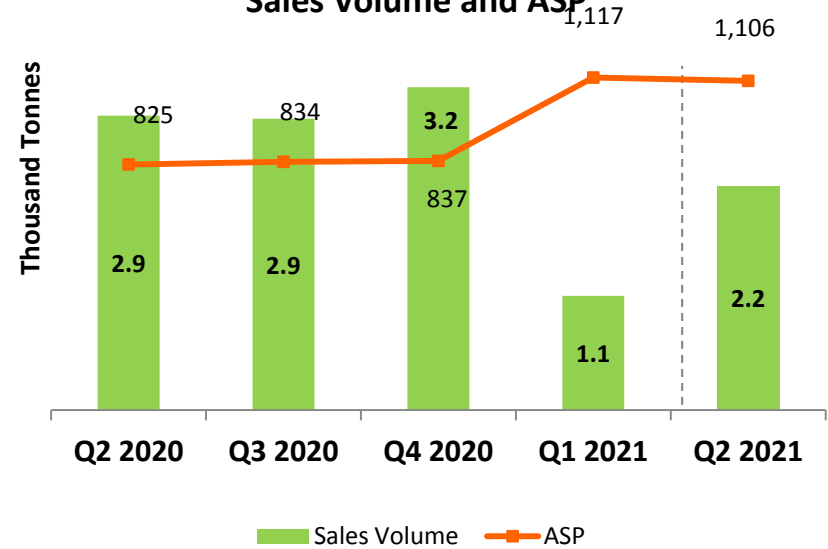
Q2 2021 Offset Printing Paper

- Revenue: UP 469.2% YoY to \$7.2 million, accounted for 15.4% of total revenue.
- Sales volume: up 377.1% YoY to 10,415 tonnes.
- ASP: UP 19.4% YoY to \$690/tonne.

Revenue and Gross Margin



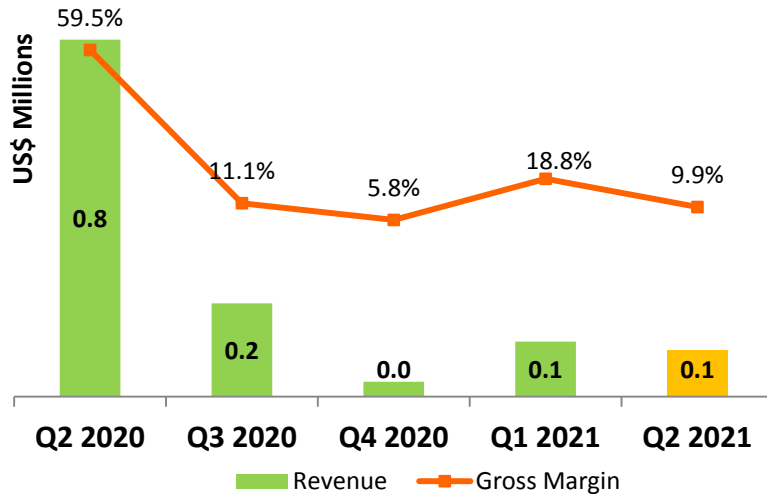
Sales Volume and ASP



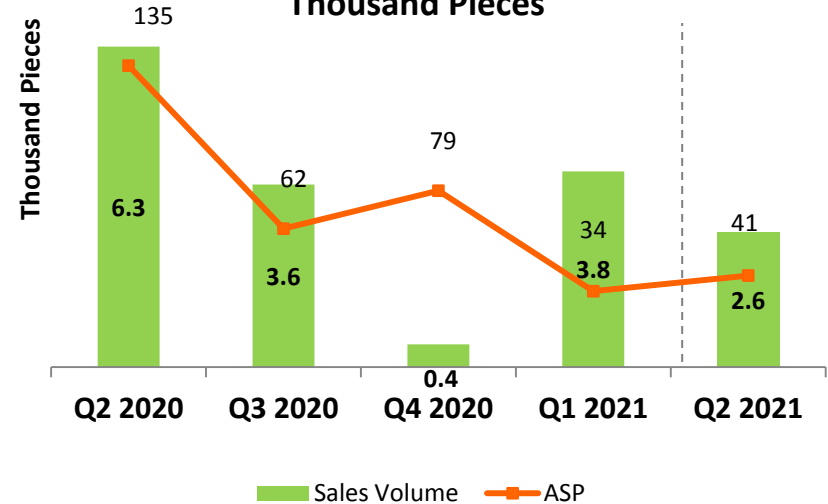
Q2 2021 Tissue Paper

- Revenue: up 2.0% YoY to \$2.4 million, accounted for 5.2% of total revenue.
- Sales volume: down 23.9% YoY to 2,196 tonnes.
- ASP: up 34.1% YoY to \$1,106/tonne.

Revenue and Gross Margin



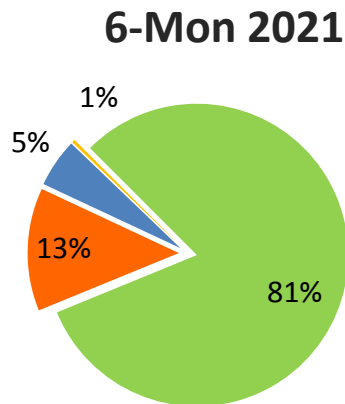
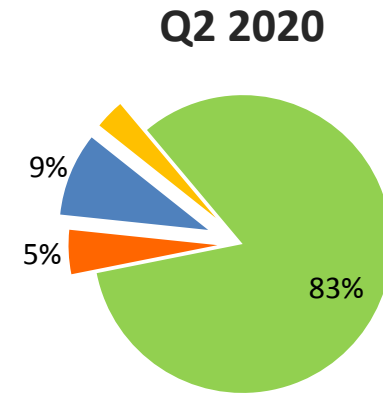
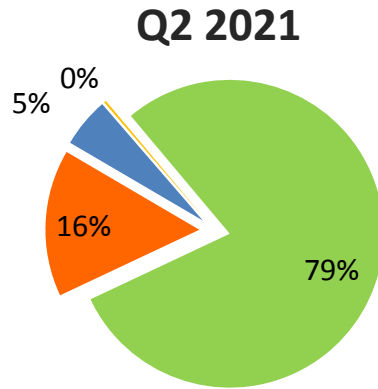
Sales Volume and Selling Price (\$) Per Thousand Pieces



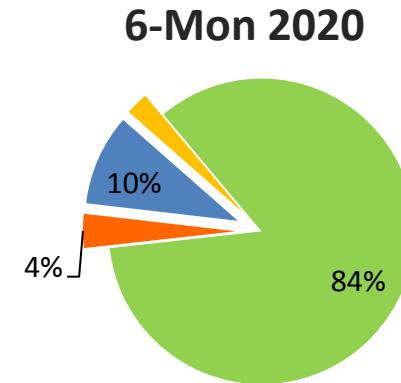
Q2 2021 Face Mask

- Revenue: down 87.1% YoY to \$0.1 million, accounted for 0.2% of total revenue..
- Sales volume: down 58.0% YoY to 2,635 thousand pieces.
- ASP: down 69.3% YoY to \$41/ thousand pieces.

Revenue Mix

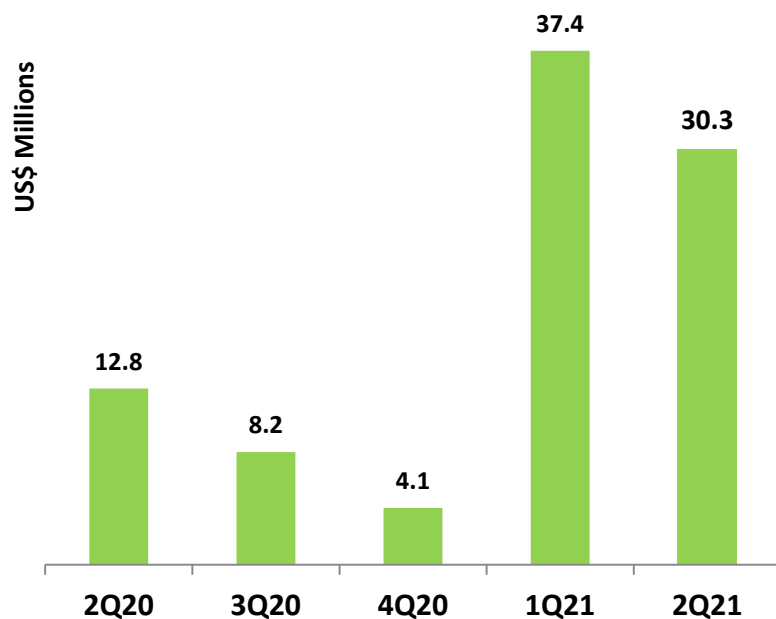


- Corrugating Medium Paper
- Offset Printing Paper
- Tissue Paper
- Face Mask

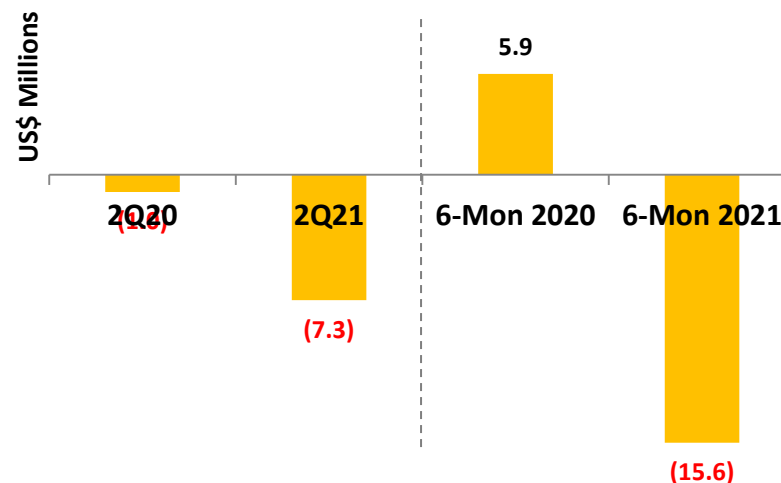


•Corrugating Medium Paper includes both Light-Weight CMP and Regular CMP

Cash and Cash Equivalents




Cash Flow from Operating Activities



2Q 2021

- Cash position at \$30.3M as of June 30, 2021.
- Net cash used in operating activities was \$15.6 million for the six months ended June 30, 2021, as compared to \$5.9 million provided by operating activities for the same period of last year.

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OPERATIONAL & BUSINESS UPDATES

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THANK YOU

The background features an open book with its pages fanned out, creating a sense of depth and movement. A bright green rectangular overlay is positioned across the middle of the image, partially covering the book's pages. The word "APPENDIX" is written in white, bold, uppercase letters on the left side of this green overlay.

APPENDIX

Production Facilities of IT Tech Packaging



PM#	Paper Product	Designed Capacity (tonnes/year)	Location
PM1	Corrugating medium paper	60,000	Xushui District, Baoding city, Hebei province
PM2	Offset printing paper	50,000	
PM3	Offset printing paper	40,000	
PM4 ^[a]	Digital photo paper	2,500	Xushui District, Baoding city, Hebei province
PM5 ^[a]	Digital photo paper	2,500	
PM6 ^[b]	Corrugating medium paper	360,000	Xushui District, Baoding city, Hebei province
PM7	Specialty paper	10,000	
PM8 ^[c]	Tissue paper	15,000	Economic Development Zone in Wei County, Hebei Province
PM9 ^[d]	Tissue paper	15,000	
PM10 ^[e]	Tissue Paper	30,000	

[a]: PM4 and PM5 have been suspended in June 2016 due to low market demand

[b]: 68.20% utilization rate in Q2 FY2021; vs. 52.47% in Q2 FY2020.

[c]: In November 2019, we completed the commercial launch of a new tissue paper production line the PM9 following the success of its trial production.

[d]: In May 2020, we planned commercial launch of a new tissue paper production line PM10 and the Company expects the new tissue paper production line to be launched after the success of its trial run. In April 2021, we has completed fundamental constructions on its new tissue paper production line (the "PM10") and is working on the installation of affiliated equipment.

Income Statement Summary

	For the Three Months Ended June 30,		YoY Change	For the Six Months Ended June 30,		YoY Change
(US\$)	2021	2020		2021	2020	
Revenue	46,534,915	26,362,273	76.5%	70,744,342	35,106,124	101.5%
Cost of sales	(43,505,895)	(23,803,444)	82.8%	(65,884,317)	(32,717,014)	101.4%
Gross Profit	3,029,019	2,558,829	18.4%	4,860,025	2,389,110	103.4%
Gross profit margin	6.5%	9.7%	-3.2pp	6.9%	6.8%	0.1pp
Selling, general and administrative expenses	(2,597,611)	(3,357,472)	-22.6%	(5,152,929)	(6,054,435)	-14.9%
Income (Loss) from operations	431,408	(798,643)	154.0%	(292,905)	(3,665,325)	-92.0%
Operating margin	0.9%	-3.0%	3.9pp	-0.4%	-10.4%	-10pp
Net Income (Loss)	(453,248)	(980,031)	53.8%	(4,792,104)	(3,416,318)	-40.3%
Net (loss) margin	-1.0%	-3.7%	2.7pp	-6.8%	-9.7%	2.9pp
Total comprehensive (loss) income	2,962,914	(855,852)	446.2%	(2,844,712)	(5,881,893)	51.6%
Loss per share – basic and diluted	(0.01)	(0.04)	75.8%	(0.10)	(0.14)	-26.5%

Selected Balance Sheet Items

(US\$)	June 30, 2021	December 31, 2020
Current Assets		
Cash and cash equivalents	30,273,543	4,142,437
Restricted cash	-	-
Accounts receivable	5,593,270	2,389,057
Inventories	11,671,350	1,233,801
Other current assets	16,202,634	7,144,310
Total current assets	63,740,797	14,909,605
Property, plant, and equipment	138,564,893	145,142,642
Other non-current assets	36,315,478	39,822,227
Total Assets	238,621,168	199,874,474
Current Liabilities		
Short-term bank loans	6,422,501	6,435,348
Current portion of long-term loans from credit union	3,142,366	4,996,245
Lease Liability	199,544	182,852
Accounts Payable	742,720	592,391
Other current liabilities	6,680,589	6,133,238
Total current liabilities	17,187,720	18,340,074
Loans from credit union	6,547,886	4,597,772
Deferred gain on sale-leaseback	315,298	387,087
Lease Liability non-current	254,029	354,107
Derivative liability	7,072,020	1,115,260
Total Liabilities	31,376,953	24,794,300
Total Stockholders' equity	207,244,215	175,080,174
Total Liabilities and Stockholders' Equity	238,621,168	199,874,474

Solid Operating Cash Flows to Support Continued Investment



(US\$)	Six Months Ended June30,	
	2021	2020
Net Cash Provided by (Used in) Operating Activities	(15,570,363)	5,856,625
Net Cash Provided by (Used in) Investing Activities	(171,541)	(981,150)
Net Cash Provided by(Used in) Financing Activities	41,671,591	2,273,360
Effect of Exchange Rate Changes on Cash and Cash Equivalents	201,419	(158,550)
Net (Decrease)/Increase in Cash and Cash Equivalents	26,131,106	6,990,285
Cash and Cash Equivalents – Beginning of Period	4,142,437	5,837,745
Cash and Cash Equivalents – End of Period	30,273,543	12,828,030